Contrarian Value Equity Fund

NEDGROUP INVESTMENTS

▶ Temperament. Duration. Alpha.

June 2025 Commentary | ISIN for Class D USD: IE00BF5FMG44

MARKETING COMMUNICATION

MONTHLY PORTFOLIO UPDATE

Our investment approach

- Contrarian investing is where quality and value meet.
- It starts with the best ideas not the index.
- It requires a patient temperament to generate long-term growth without taking investors off a cliff.

Portfolio Management Team

Brian A. Selmo

24 years in the industry

Mark Landecker

23 years in the industry

What do we mean by temperament and duration? Inside, we share the fund's return drivers, portfolio positioning and put the spotlight on a stock bought/sold.

Performance and markets

Global equity markets continued their upward trajectory in June, despite uncertainty around trade policy and ongoing geopolitical tensions. Against this backdrop, the Nedgroup Investments Contrarian Value Equity Fund delivered a strong return of 6.4%, outperforming the MSCI ACWI benchmark, which returned 4.5% in US dollar terms.

Communication Services was the standout sector. Meta Platforms led gains, buoyed by renewed investor enthusiasm for AI and a surge in AI-related capital expenditure. We continued to trim our position, consistent with our valuation-driven sell discipline. Nintendo also contributed meaningfully, with record-breaking sales of the Switch 2, now the fastest-selling console in the company's history. In line with our valuation discipline, we reduced our position in Nexon following a rally driven by its share buyback programme.

Information Technology also added to performance. Analog Devices (ADI) was the top contributor in the sector, as earnings exceeded expectations and accelerating bookings signalled a potential cyclical upturn in analogue semiconductors. We continued to trim our position in Broadcom, following strong performance.

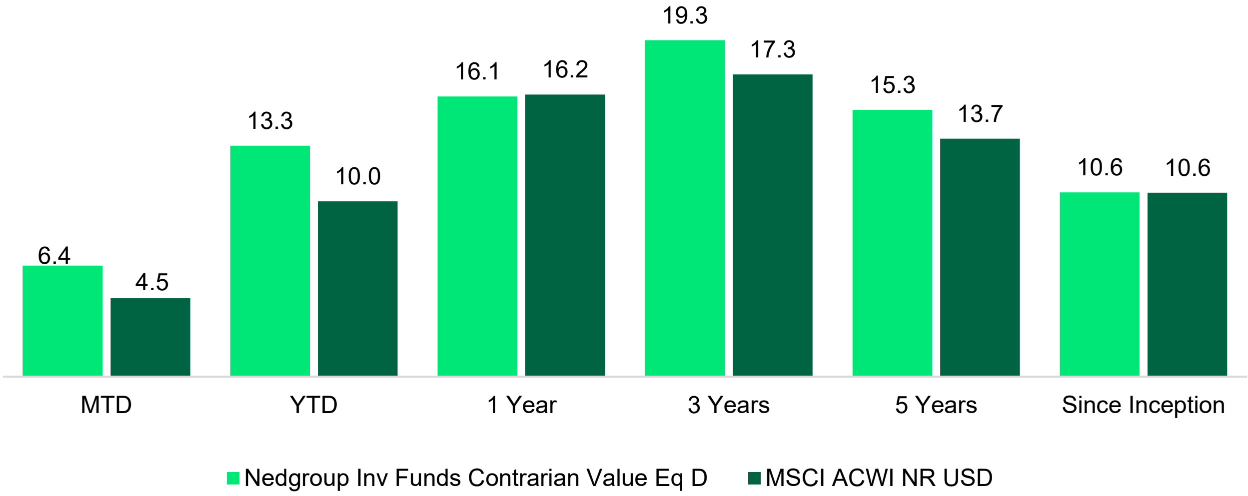
Industrials saw robust gains. Ferguson Enterprises rose nearly 20% after delivering blowout earnings and raising its outlook. Strength in non-residential sales, disciplined margin management, and easing deflation supported the results. A buyback extension and 5% dividend hike further reinforced its shareholder-friendly profile—attributes we value highly in management teams given our focus on durability. We added to our position in Fortune Brands, a complementary name to Ferguson.

In Aerospace & Defence, Safran boosted investor confidence with a series of positive developments: a deal with HAL India, a joint venture to develop next-gen military helicopter engines, and a ramp-up in engine orders as Boeing's 737 MAX production accelerated. We trimmed our position in Howmet Aerospace, which has performed strongly since our initial investment during the pandemic.

Over the course of the month, we have been reducing exposure to areas that have performed well, including banks, to make room for new opportunities like Amrize, the US spin-off of Holcim and Hoshizaki, a Japanese domiciled global distributor of commercial refrigeration and ice machines—a name we've tracked for several years and now see as attractively valued.

Fund performance

Past performance is not indicative of future performance and does not predict future returns



Fund returns are in US$ based on Class D Accumulation. MSCI index returns are with net dividends reinvested. Source: Morningstar, Nedgroup Investments.

Key return drivers

Stock contribution: Month to date

Winners	Contribution (%)	Losers	Contribution (%)
Amrize Ltd	0.87%	Heineken Holding N.V.	-0.17%
Meta Platforms	0.78%	Aon Plc	-0.13%
Citigroup	0.63%	Intl Flavors & Fragrances	-0.12%
Holcim/Amrize	0.57%	Pernod Ricard	-0.05%
Analog Devices	0.55%	PG&E Corp	-0.04%

Stock contribution: Year to date

Winners	Contribution (%)	Losers	Contribution (%)
Holcim/Amrize	1.62%	Alphabet	-0.59%
Meta Platforms	1.57%	Intl Flavors & Fragrances	-0.53%
Safran	1.37%	CarMax	-0.49%
JDE Peet's	1.35%	ICON	-0.41%
Citigroup	1.25%	Comcast Corporation	-0.28%

Sector contribution	Month to date (%)	Year to date (%)
Communication Services	1.56%	2.63%
Consumer Discretionary	0.57%	0.60%
Consumer Staples	-0.08%	2.09%
Energy	0.11%	0.16%
Financials	0.66%	1.67%
Health Care	0.35%	0.09%
Industrials	1.40%	3.95%
Information Technology	1.08%	1.62%
Materials	0.54%	0.99%
Real Estate	0.00%	0.00%

Performance, contribution data and positioning information as of reporting month end. Source: FPA, Factset, Nedgroup Investments

Portfolio positioning

Top 10 holdings	Portfolio weight
Meta Platforms	5.9%
Alphabet	5.7%
Analog Devices	5.0%
Citigroup	4.8%
TE Connectivity Plc	4.5%
Comcast Corp	4.3%
Safran Sa	3.5%
Heineken Holding Nv	3.4%
Amazon Com	3.4%
Intl Flavors & Fragrances	3.2%
Total	**43.7%**

Sector breakdown	Portfolio weight
Communication Services	21.0%
Consumer Discretionary	12.5%
Consumer Staples	8.1%
Energy	2.2%
Financials	10.0%
Health Care	4.3%
Industrials	13.5%
Information Technology	11.3%
Materials	10.3%
Real Estate	0.0%
Total	**93.3%**

Stock spotlight: Richemont

Over the past 15 years, the **luxury goods sector** has consistently outpaced global GDP, driven by enduring demand for products that blend craftsmanship, heritage, and status. Among its many segments, **jewellery** has emerged as the most resilient and profitable—less vulnerable to seasonal trends and creative turnover than fashion, and more deeply rooted in timeless design and emotional value.

At the forefront of this sector is **Richemont**, the Swiss luxury powerhouse behind iconic maisons like **Cartier** and **Van Cleef & Arpels (VCA)**. Cartier, with its century-old Panther motif, and VCA's Alhambra collection—launched nearly 60 years ago—are not just accessories; they are cultural symbols. These brands have built reputations over decades, allowing them to command premium pricing and maintain strong margins even during economic downturns.

Jewellery's durability is reflected in Richemont's performance: its top brands consistently generate higher revenues than all other major jewellery houses combined. This resilience and profitability make Richemont a compelling long-term investment.

Richemont is a key holding in the Nedgroup Investments Contrarian Value Equity Fund. The company aligns perfectly with the Fund's strategy of investing in high-quality compounders— companies with enduring value, strong fundamentals, and the ability to thrive even when market sentiment is weak.

This position was 1.63% of the portfolio as at month-end.

Performance, contribution data and positioning information as of reporting month end. Source: FPA, Factset, Nedgroup Investments

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